

Page 1 of 2

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-1473-AIR-E TCEQ ID: RN100237502 CASE NO.: 34719
RESPONDENT NAME: Gas Solutions II Ltd.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Longview Gas Plant, 3407 West Camp Switch Road, Longview, Gregg County</p> <p>TYPE OF OPERATION: Natural gas compression, treating, and natural gas liquids recovery plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on January 4, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Sidney Wheeler, Enforcement Division, Enforcement Team 4, MC R-13, (210) 403-4078; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Steven Kennedy, Vice President of Operations, Gas Solutions II Ltd., 3407 West Camp Switch Road, Longview, Texas 75604 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: August 27, 2007</p> <p>Date of NOV/NOE Relating to this Case: September 1, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>Failure to submit an annual compliance certification within 30 days from the end of the certification period. Specifically, the annual compliance certification for the period September 29, 2005 through September 28, 2006 was due by October 26, 2006, but was not received until April 5, 2007 [30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$1,875</p> <p>Total Deferred: \$375 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$1,500</p> <p>Site Compliance History Classification <input checked="" type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that on April 5, 2007, the Respondent submitted the annual compliance certification for the period of September 29, 2005 through September 28, 2006 to the Tyler Regional Office.</p>

Additional ID No(s): GJ0003W



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

TCEQ

DATES	Assigned	4-Sep-2007	Screening	27-Sep-2007	EPA Due	27-May-2008
	PCW	27-Sep-2007				

RESPONDENT/FACILITY INFORMATION

Respondent	Gas Solutions II Ltd.		
Reg. Ent. Ref. No.	RN100237502		
Facility/Site Region	5-Tyler	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	34719	No. of Violations	1
Docket No.	2007-1473-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Sidney Wheeler
Multi-Media		EC's Team	EnforcementTeam 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$2,500**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **0% Enhancement** **Subtotals 2, 3, & 7** **\$0**

Notes No penalty adjustment due to average performer.

Culpability **No** **0% Enhancement** **Subtotal 4** **\$0**

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply **25% Reduction** **Subtotal 5** **\$625**

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes The Respondent achieved compliance on April 5, 2007.

Total EB Amounts **\$4** **0% Enhancement*** **Subtotal 6** **\$0**
Approx. Cost of Compliance **\$200** ***Capped at the Total EB \$ Amount**

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$1,875**

OTHER FACTORS AS JUSTICE MAY REQUIRE

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount **\$1,875**

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty **\$1,875**

DEFERRAL

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

Adjustment **-375**

PAYABLE PENALTY **\$1,500**

Screening Date 27-Sep-2007

Docket No. 2007-1473-AIR-E

PCW

Respondent Gas Solutions II Ltd.

Policy Revision 2 (September 2002)

Case ID No. 34719

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100237502

Media [Statute] Air

Enf. Coordinator Sidney Wheeler

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action <i>(number of NOVs meeting criteria)</i>	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government <i>(number of judgements or consent decrees meeting criteria)</i>	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which notices were submitted)</i>	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

No penalty adjustment due to average performer.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 27-Sep-2007		Docket No. 2007-1473-AIR-E		PCW	
Respondent Gas Solutions II Ltd.		<small>Policy Revision 2 (September 2002)</small>			
Case ID No. 34719		<small>PCW Revision June 26, 2007</small>			
Reg. Ent. Reference No. RN100237502					
Media [Statute] Air					
Enf. Coordinator Sidney Wheeler					
Violation Number		<div style="border: 1px solid black; padding: 2px;">1</div>			
Rule Cite(s)		<div style="border: 1px solid black; padding: 2px;">30 Tex. Admin. Code § 122.146(2) and Tex. Health & Safety Code § 382.085(b)</div>			
Violation Description		<div style="border: 1px solid black; padding: 2px;">Failed to submit an annual compliance certification within 30 days from the end of the certification period. Specifically, the annual compliance certification for the period September 29, 2005 through September 28, 2006 was due by October 26, 2006, but was not received until April 5, 2007.</div>			
Base Penalty					<div style="border: 1px solid black; padding: 2px;">\$10,000</div>

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	
	Potential	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
		x			
	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	
100% of the permit requirement was not met.					
Adjustment					<div style="border: 1px solid black; padding: 2px;">\$7,500</div>

\$2,500

Violation Events

Number of Violation Events		<div style="border: 1px solid black; padding: 2px;">1</div>	Number of violation days		<div style="border: 1px solid black; padding: 2px;">161</div>
<small>mark only one with an x</small>	daily	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>	Violation Base Penalty <div style="border: 1px solid black; padding: 2px;">\$2,500</div>		
	monthly	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>			
	quarterly	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>			
	semiannual	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>			
	annual	<div style="border: 1px solid black; width: 40px; height: 15px;"></div>			
	single event	<div style="border: 1px solid black; width: 40px; height: 15px; text-align: center;">x</div>			
One single event is recommended.					

Economic Benefit (EB) for this violation

Estimated EB Amount		<div style="border: 1px solid black; padding: 2px;">\$4</div>	Statutory Limit Test	
			Violation Final Penalty Total <div style="border: 1px solid black; padding: 2px;">\$1,875</div>	
This violation Final Assessed Penalty (adjusted for limits) <div style="border: 1px solid black; padding: 2px;">\$1,875</div>				

Economic Benefit Worksheet

Respondent Gas Solutions II Ltd.
Case ID No. 34719
Reg. Ent. Reference No. RN100237502
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$200	26-Oct-2006	5-Apr-2007	0.4	\$4	n/a	\$4

Notes for DELAYED costs

Estimated cost to submit the annual compliance certification. Date required is the date the certification was due.
Final date is the date the certificate was submitted.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$200

TOTAL

\$4

Compliance History

Customer/Respondent/Owner-Operator:	CN602762759	Gas Solutions II Ltd.	Classification: Average	Rating: 2.00
Regulated Entity:	RN100237502	LONGVIEW GAS PLANT	Classification: High	Site Rating: 0.00
ID Number(s):	AIR NEW SOURCE PERMITS	PERMIT	19994	
	AIR NEW SOURCE PERMITS	PERMIT	23110	
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GJ0003W	
	AIR NEW SOURCE PERMITS	AFS NUM	4818300001	
	AIR NEW SOURCE PERMITS	REGISTRATION	14352	
	AIR NEW SOURCE PERMITS	REGISTRATION	15368	
	AIR NEW SOURCE PERMITS	REGISTRATION	24149	
	AIR NEW SOURCE PERMITS	REGISTRATION	26085	
	AIR NEW SOURCE PERMITS	REGISTRATION	44414	
	AIR NEW SOURCE PERMITS	REGISTRATION	47116	
	AIR NEW SOURCE PERMITS	REGISTRATION	54008	
	AIR NEW SOURCE PERMITS	PERMIT	PSDTX835	
Location:	3407 W CAMP SWITCH RD, LONGVIEW, TX, 75604		Rating Date: September 01 07 Repeat Violator: NO	
TCEQ Region:	REGION 05 - TYLER			
Date Compliance History Prepared:	September 10, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	September 10, 2002 to September 10, 2007			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Sidney Wheeler		Phone:	(210) 403-4078

Site Compliance History Components

- | | |
|--|-----------------------|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | Yes |
| 3. If Yes, who is the current owner? | Gas Solutions II Ltd. |
| 4. If Yes, who was/were the prior owner(s)? | Gas Solutions, Ltd. |
| 5. When did the change(s) in ownership occur? | 01/05/2005 |

Components (Multimedia) for the Site :

- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----|--|----------|------------|----------|---|------------|----------|---|------------|----------|---|------------|----------|---|------------|----------|---|------------|----------|---|------------|----------|---|------------|----------|---|------------|----------|
| A. | Final Enforcement Orders, court judgments, and consent decrees of the state of Texas and the federal government. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B. | Any criminal convictions of the state of Texas and the federal government. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C. | Chronic excessive emissions events. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| D. | The approval dates of investigations. (CCEDS Inv. Track. No.) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table> <tr><td>1</td><td>08/28/2003</td><td>(151829)</td></tr> <tr><td>2</td><td>07/08/2004</td><td>(274643)</td></tr> <tr><td>3</td><td>08/18/2004</td><td>(291228)</td></tr> <tr><td>4</td><td>08/18/2004</td><td>(291201)</td></tr> <tr><td>5</td><td>10/25/2004</td><td>(293284)</td></tr> <tr><td>6</td><td>08/22/2005</td><td>(405070)</td></tr> <tr><td>7</td><td>08/26/2005</td><td>(407437)</td></tr> <tr><td>8</td><td>08/28/2006</td><td>(510200)</td></tr> <tr><td>9</td><td>08/31/2007</td><td>(573624)</td></tr> </table> | 1 | 08/28/2003 | (151829) | 2 | 07/08/2004 | (274643) | 3 | 08/18/2004 | (291228) | 4 | 08/18/2004 | (291201) | 5 | 10/25/2004 | (293284) | 6 | 08/22/2005 | (405070) | 7 | 08/26/2005 | (407437) | 8 | 08/28/2006 | (510200) | 9 | 08/31/2007 | (573624) |
| 1 | 08/28/2003 | (151829) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 07/08/2004 | (274643) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 08/18/2004 | (291228) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 08/18/2004 | (291201) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 10/25/2004 | (293284) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 08/22/2005 | (405070) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | 08/26/2005 | (407437) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | 08/28/2006 | (510200) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | 08/31/2007 | (573624) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E. | Written notices of violations (NOV). (CCEDS Inv. Track. No.) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| F. | Environmental audits. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| G. | Type of environmental management systems (EMSs). | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | |

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
GAS SOLUTIONS II LTD.
RN100237502**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1473-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Gas Solutions II Ltd. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a natural gas compression, treating, and natural gas liquids recovery plant at 3407 West Camp Switch Road in Longview, Gregg County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 5, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of One Thousand Eight Hundred Seventy-Five Dollars (\$1,875) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Five Hundred Dollars (\$1,500) of the administrative penalty and Three Hundred Seventy-Five Dollars (\$375) is deferred contingent

upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that on April 5, 2007, the Respondent submitted the annual compliance certification for the period of September 29, 2005 through September 28, 2006 to the Tyler Regional Office.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to submit an annual compliance certification within 30 days from the end of the certification period, in violation of 30 TEX. ADMIN. CODE § 122.146(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on August 27, 2007. Specifically, the annual compliance certification for the period September 29, 2005 through September 28, 2006 was due by October 26, 2006, but was not received until April 5, 2007.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

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IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Gas Solutions II Ltd., Docket No. 2007-1473-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Sadler
For the Executive Director

12/20/2007
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Steven M. Kennedy
Signature

10-22-07
Date

Steven M. Kennedy
Name (Printed or typed)
Authorized Representative of
Gas Solutions II Ltd.

Vice President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

